

SHOULD YOU GET A CREDIT OR DEBIT CARD



Let's explore which type of card best suits your lifestyle and the best times to use them if you have both.

HOW DO THEY WORK?



CREDIT CARDS

A credit card allows you to borrow money from a lending institution and pay back some or all of it every month, with interest accrued.



DEBIT CARDS

A debit card is a form of payment where money is not borrowed, but rather taken directly from your checking account to be used immediately.

DID YOU KNOW? It's estimated that every second, there are 10,000 card transactions around the world.

THE BENEFITS OF CREDIT AND DEBIT CARDS

CREDIT	VS	DEBIT
<ul style="list-style-type: none"> ✓ Establish credit history ✓ Helpful in case of a financial emergency ✓ Many have rewards, which vary depending on the card, such as travel points, gift cards, cash back and more ✓ Monthly payments provide yourself with an interest free loan for 30 days ✓ Consumer protection such as stolen card coverage ✓ Some cards offer insurance protection, like travel accident or rental car insurance 		<ul style="list-style-type: none"> ✓ Good for daily use to stay within budget ✓ Withdrawal at ATMs worldwide ✓ Some have cash back and rewards (will vary depending on card) ✓ No application or credit history necessary ✓ Avoid getting into debt ✓ Lower fees, no interest rates and no monthly payments ✓ A personal identification number (PIN) required for use for an added level of security

DID YOU KNOW? One way to avoid increasing interest rates is by paying off your credit card balance in full each month.

THE DOWNSIDE OF CREDIT AND DEBIT CARDS

CREDIT	VS	DEBIT
<ul style="list-style-type: none"> ✗ Debt can build up easily and quickly if your bill is not paid in full monthly ✗ Late payments can affect your credit score if over 30 days past due ✗ Some cards have annual fees ✗ Missing a payment deadline can negatively impact your credit score, which could make applying for a loan or buying a home difficult 		<ul style="list-style-type: none"> ✗ Must report card missing or stolen within two days for full security ✗ If fraud occurs, it can take time to replace stolen funds ✗ No credit history builds when using a debit card ✗ If you overdraw on your account, you may incur overdraft fees ✗ You may incur fees for ATMs and foreign transaction fees ✗ You cannot use to pay off big purchases over time if you don't have the money in your account

DID YOU KNOW? The average credit card debt for American consumers is \$6,028.

SO, WHAT'S YOUR BEST OPTION?



CREDIT CARDS

Apply for a credit card today if you consider yourself a smart spender – someone who is on top of their payments, wants to receive reward points or perks and wants to build credit.



DEBIT CARDS

Sign up for a debit card today if you consider yourself a beginner spender, as this is the safer option to avoid debt, annual rates and interest rates.

READY TO FIND A CARD THAT WORKS IN YOUR FAVOR? Contact us today to learn more.

Sources:

Consumer | FDIC | Consumer Finance